



2007

1065ME/1120S-ME
MAINE INFORMATION RETURN
PARTNERSHIPS/LLCS/S CORPORATIONS



0700800

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For tax period 01/01/07 to 12/31/07 or

____ / ____ / 07 to ____ / ____ / ____

Federal Employer ID Number: ____ - ____

Name of Partnership / LLC / S Corporation

Address of Partnership / LLC / S Corporation

City, Town or Post Office

State

ZIP Code

STATE OF INCORPORATION

DATE INCORPORATED

PRINCIPAL PLACE OF ACTIVITY IN MAINE

CITY/STATE WHERE RECORDS ARE MAINTAINED

BUSINESS CODE

IDENTIFYING NUMBER OF TAX MATTERS PERSON

TAX MATTERS PARTNER/PERSON

TELEPHONE NUMBER

TYPE OF ENTITY: (one box must be checked)

Check if:

CHECK ANY OF THE FOLLOWING IF APPLICABLE:

☐ S Corporation ☐ Partnership

☐ LLC

☐ First filing

☐ Amended return

☐ Final return

☐ Change of name

Do not submit photocopies of this form; photocopies cannot be processed by the Maine Revenue Services scanning system. Do not use red ink.

1. Number of partners, shareholders or members who are: a. _____ Residents (of Maine) b. _____ Nonresidents c. _____ Total
- For 100 or fewer partners/shareholders - complete Schedule PSI for all partners/shareholders not included in a composite return. For entities with more than 100 members - do not complete Schedule PSI.
 - All entities, regardless of the number of partners/shareholders, are required to send pages 1 - 4 of federal Form 1065 or Form 1120S with this return. **DO NOT SEND FEDERAL K-1s.**
2. Are you filing a composite return for nonresident partners/shareholders (MRS Rule No. 805)? ☐ YES ☐ NO
- 2a. If yes, indicate how many nonresident partners/shareholders are included in the composite filing
If yes, see Schedule 1040C for composite filing instructions.

THIS SECTION MUST BE COMPLETED BY ALL FILERS

3. LOCATION OF DOING BUSINESS:

- a. ☐ Business activity entirely within Maine; this includes making out-of-state sales that are not taxable in other states (complete only line 4e below and enter that amount on line 4f).
- b. ☐ Business has no Maine resident partners/shareholders and business activity is entirely outside Maine, with no payroll, sales or property in Maine (**STOP** - do not file this return).
- c. ☐ Business is engaged in interstate commerce, including doing business in Maine (complete lines 4a through 4f below).
- d. ☐ Business has Maine resident partners/shareholders and business activity is entirely outside Maine, with no payroll, sales or property in Maine (except as exempted by P.L. 86-272)(complete line 4e below). **If entity has 100 or fewer members, complete Schedule PSI for Maine residents only.**
- e. ☐ Check here if the taxpayer is a mutual fund service provider electing to use the special apportionment formula under 36 M.R.S.A. § 5212(2) (complete lines 4a through 4f).
- f. ☐ Business is a partnership/S-corporation that transacts no business in Maine and its only Maine source income is from Schedules K-1 received from partnerships with business activity unrelated to the business conducted by this partnership. Enter the sum of Maine source income from schedules K-1 on line 4f below and attach copies of Schedules K-1.

	(A) Totals within Maine	(B) Totals within and outside Maine	(C) Line 4A, Maine Factor: Col A/Col B, rounded to 6 decimals
4.a. Totals SALES net of returns and allowances	____ , ____ , ____	____ , ____ , ____	= ____ , ____ , ____
b. Total PAYROLL	____ , ____ , ____	____ , ____ , ____	
c. Total PROPERTY	____ , ____ , ____	____ , ____ , ____	
d. MAINE APPORTIONMENT FACTOR (From Line 4a, Column C above).....4d.			____ , ____ , ____
e. Enter ENTITY INCOME OR LOSS (see instructions).....4e.			____ , ____ , ____
f. TOTAL MAINE INCOME OR LOSS (line 4d multiplied by line 4e).....4f.			____ , ____ , ____

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements and to the best of my knowledge and belief they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Officer's signature

Title

Date

Preparer's Signature

Date

☐ Check this box if you do not need forms mailed to you next year (e.g. you use software or a tax preparer).

Office use only ☐ LG ☐ PSI ☐

FORM 1065ME/1120S-ME INSTRUCTIONS

WHO MUST FILE. Partnerships, LLCs, and S corporations filing federal Forms 1065 or 1120S that do business in Maine or that have resident partners or shareholders must file. S corporations that have federal taxable income must also file Form 1120ME. Financial institutions organized as partnerships, LLCs, or S corporations - do not file this form. See instructions for Form 1120B-ME. Obtain forms from www.maine.gov/revenue/forms or call 207-624-7894.

LIMITED LIABILITY COMPANY. A domestic limited liability company or a foreign limited liability company doing business in Maine is classified as a partnership for Maine income tax purposes unless classified otherwise for federal income tax purposes, in which case the limited liability company is classified in the same manner for Maine income tax as for federal income tax.

WHEN TO FILE. S corporations must file Form 1065ME/1120S-ME by the 15th day of the 3rd month following the close of the taxable year. Partnerships must file Form 1065ME/1120S-ME by the 15th day of the 4th month following the close of the taxable year. The filing date for LLCs is based on classification.

EXTENSION FOR FILING. A Maine extension request form is not required. If you are unable to file your return by the original due date of the return, Maine allows an automatic seven-month extension of time to file an S corporation return and six months to file a partnership return.

Beginning January 1, 2007, any partnership or S corporation that fails to file an information return required by Maine Law is liable for a penalty of \$100 if the return is filed within 30 days of receipt of a formal demand from the assessor. The 30-day filing period is extended to 120 days if the partnership or S corporation requests an extension in writing within the 30-day period. Otherwise, the penalty is \$500.

WHERE TO FILE. Mail the completed form with copies of pages 1 - 4 of federal Form 1065 or Form 1120S to Maine Revenue Services, P.O. Box 9117, Augusta, ME 04332-9117. Mail separately from Form 941E-ME.

SPECIFIC INSTRUCTIONS

- If other than a calendar year, enter beginning and ending dates for the tax year covered by the return.
- Indicate the business name and mailing address, including the name of the entity officer or tax matters partner to whom correspondence should be addressed. Enter telephone number.
- Enter the EIN used on federal Form 1065 or Form 1120S. Enter all demographic information.
- Check the appropriate business type and attach the corresponding federal form to Form 1065ME/1120S-ME. (Do not send federal K-1s).
- Indicate if name or address has changed.
- Indicate if an amended, first or final return.

LINE 1.

- Indicate number of partners/shareholders who are residents of Maine.
- Indicate number of partners/shareholders who are nonresidents of Maine.
- Indicate total number of partners/shareholders.

Note: For entities with 100 or fewer partners/shareholders, complete Schedule PSI for all partners/shareholders, but do not include those participating in a composite return. For entities with more than 100 partners/shareholders, do not complete Schedule PSI. For entities with 100 or fewer partners/shareholders that check line 3d, complete Schedule PSI for Maine residents only.

The number of partners/shareholders included on Schedule PSI should equal the difference between Line 1c and Line 2a, except in the case of entities that check line 3d or have more than 100 members.

LINE 2.

A composite return is filed by a partnership or S corporation for its nonresident partners/shareholders electing to participate and whose only Maine income is from the entity (see 36 M.R.S.A. § 5192(5)). Indicate "Yes" if filing a composite return for any nonresident partner/shareholder. See Maine Rule 805 at www.maine.gov/revenue/rules for composite filing information.

- If answer to Line 2 is yes, indicate the number of nonresident partners/shareholders included in the composite filing.

LINES 3a-3d.

Indicate location of partnership or S corporation business activity. If line 3a is checked, complete lines 4e and 4f. If line 3b is checked, you do not have to file this return. If line 3c is checked, complete lines 4a through 4f. If line 3d is checked, skip lines 4a through 4d and complete line 4e only. For lines 3b and 3d, see specific instructions in the Maine Corporate income tax booklet, page 6, to determine when sales are in Maine.

LINE 3e.

Mutual Fund Service Providers may elect to apportion income to Maine using a special sales only formula. Check the space if you qualify and are making this election. The election is irrevocable for five years. If line 3e is checked, complete lines 4a through 4f.

LINE 4a. Total Sales: Except as provided by lines 3a and 3d, the apportionment of income schedule is for entities engaged in multistate business. Effective for tax years beginning on or after January 1, 2007, all multistate business income will be apportioned using only the sales factor. This factor is determined by dividing Maine sales by sales everywhere in the U.S. The result is multiplied by the entity income to find income apportioned to Maine. See generally MRS Rule 801. The attribution of sales, other than sales of tangible personal property, has changed (relating to sales of services, patents, copyrights, real estate, financial services, partnership interests, rentals, leases, and similar receipts). See specific

instructions in the Maine Corporate income tax booklet, page 6 for details and MRS Rule 801.

Note: Although payroll and property are no longer included in the Maine apportionment factor, this information is still being collected for a variety of purposes, including for statistical, audit and tax credit purposes.

LINE 4b. Total Payroll: Enter in column A total compensation paid in Maine during the tax period by the taxpayer, and enter in column B total compensation paid everywhere during the tax period. "Compensation" means wages, salaries, commissions and any other form of remuneration to employees for personal services, including deferred compensation. Compensation is paid in Maine if (1) the individual's service is performed entirely within this state; (2) the individual's service is performed both within and outside Maine, but the service performed outside the state is incidental to the individual's service within Maine; or (3) some of the service is performed in this state, the base of operations (or, if there is no base of operations, the place from where the service is directed or controlled) is not in any state in which some part of the service is performed, and the individual's residence is in Maine.

LINE 4c. Total Property: Enter in column A the average value of the taxpayer's real and tangible personal property (including inventory) owned or rented and used in Maine during the tax period. Enter in column B the average value of all the taxpayer's real and tangible personal property (including inventory) owned or rented and used during the tax period.

Property owned by the taxpayer is valued at original cost. The average value of the property is determined by averaging the values at the beginning and end of the tax period, but the state tax assessor may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property. Property rented by the taxpayer is valued at eight times the net annual rental rate.

LINE 4e. Entity Income: Partnerships enter on this line the amount from federal Form 1065, Analysis of Net Income, line 1. S corporations enter on this line the amount from federal Form 1120S, Schedule K, line 18. If you are not required to complete Schedule K, line 18 on your federal return, you must calculate the pro forma amount that would be entered on that line in accordance with the federal instructions and enter that amount on Form 1065/1120S ME, line 4e.

All Maine income modifications under 36 M.R.S.A. § 5122 and 5200-A, including the section 179 expense add back, are made at the taxpayer level. Do not adjust line 4e for Maine income modifications. The entity is required to advise each shareholder/partner of any income modifications related to entity income that apply. For more information or to download additional copies of this form or the Schedule of Partners/Shareholders Income, visit our web site at www.maine.gov/revenue/forms (Select Partnership/S-Corporations) or call 207-624-7894.